



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 1, 2002

S. 2771 **John F. Kennedy Center Plaza Authorization Act of 2002**

As passed by the Senate on July 26, 2002

SUMMARY

S. 2771 would authorize the appropriation of \$400 million to the Department of Transportation (DOT) to plan and construct a new plaza in front of the John F. Kennedy Center and to improve access to the Center for both pedestrians and vehicles.

Assuming appropriation of the authorized amount, CBO estimates that implementing S. 2771 would cost about \$135 million over the 2003-2007 period and another \$265 million after 2007. Enacting S. 2771 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 2771 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs would be significantly below the threshold established in that act (\$58 million in 2002, adjusted annually for inflation). S. 2771 contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2771 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level ^a	10	10	20	50	100
Estimated Outlays	3	7	10	40	75
a. S. 2771 would authorize the appropriation of \$400 million over the 2003-2010 period. CBO estimates that \$190 million of that amount could be appropriated over the 2003-2007 period, with the remaining \$210 million provided after 2007.					

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2771 will be enacted near the end of fiscal year 2002 and that the amounts necessary to implement the act will be appropriated for each year. Estimates of outlays are based on information from the Federal Highway Administration, the John F. Kennedy Center, and historical spending patterns of similar projects. Based on information from the agency, CBO estimates that DOT would plan and construct the plaza project over the next 12 years.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 2771 would bypass the D.C. City Council's review and approval of efforts to dispose of D.C. property for the Kennedy Center Plaza project. In preempting the City Council's authority, the legislation contains an intergovernmental mandate as defined in UMRA, but CBO estimates that it would impose no duty on the city government that would result in additional spending.

If necessary for the construction of the proposed Kennedy Center Plaza, the District of Columbia would have to reconfigure the city highway system. In addition, the District of Columbia would have to transfer any property or air rights required for the project, without compensation. These potential requirements on the city also would be intergovernmental mandates as defined in UMRA. Based on information from the Federal Highway Administration and the District's Department of Transportation, CBO estimates that the costs of complying with these mandates would be significantly below the threshold established in

that act (\$58 million in 2002, adjusted annually for inflation). Furthermore, the construction-related costs resulting from the mandates would be funded by the federal government.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 2771 contains no private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On July 30, 2002, CBO transmitted a cost estimate for H.R. 5012, the John F. Kennedy Center Plaza Authorization Act of 2002, as ordered reported by the House Committee on Transportation and Infrastructure on June 26, 2002. The two versions are nearly identical, and the estimated costs are the same.

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